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EXHIBIT W

TESTIMONY OF SALLY SLOOK

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Application of Aqua Pennsylvania Wastewater, : Docket No. A-2021- 3027268  
Inc. :

**TOWNSHIP OF WILLISTOWN  
AQUA STATEMENT NO. 3**

**DIRECT TESTIMONY OF  
SALLY SLOOK  
TOWNSHIP MANAGER FOR THE  
TOWNSHIP OF WILLISTOWN**

**With Regard To  
A General Overview of the Transaction  
Willistown's Wastewater Collection and Treatment System and Operations  
Benefits of the Proposed Transaction  
Willistown's Rates**

**August 2021**

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**I. INTRODUCTION**

**Q. Please state your name and business address.**

A. My name is Sally Slook. My business address is 688 Sugartown Road, Malvern, PA 19355.

**Q. In what capacity are you affiliated with the Township of Willistown?**

A. I am the Township Manager for the Township of Willistown (the “Township” or “Willistown”). The Township Manager is appointed by the Willistown Board of Supervisors (the “Board”), and is responsible to the Board for execution of its policies. Further, the Township Manager is designated as the Chief Administrative Officer in the Township and oversees all day-to-day operations in the Township.

**Q. Please provide a brief description of your education and work experience.**

A. I attended the Wesley College, where I received a bachelor’s degree in liberal studies, with concentrations in History, English, and Psychology. I also attended Villanova University, where I received a master’s degree in Public Administration and graduate certificates in City Management, Politics, and American Government. Lastly, I received a Municipal Leadership Certificate from the Pennsylvania State University.

I have served as the Township Manager since July 2019. As Manager, I oversee all day-to-day operations and staff for all Township departments. I work to implement the policies of our elected Board and coordinate with staff to bring the Board’s goals to fruition. Additionally, as Township Manager, I am responsible for the creation, implementation, and monitoring of an annual budget of \$13 million, and four managerial

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1 direct reports. Some of my key accomplishments during my tenure as Manager include,  
2 but are not limited to, the following: restructure of the Willistown administration for  
3 increased efficiencies and customers service, revised and streamlined the existing budget  
4 process, and implemented a sanitary sewer system monetization process.

5 Prior to my current position, I served as the acting Township Manager for Upper  
6 Merion Township from June 2018 to June 2019, the Assistant Township Manager for  
7 Upper Merion Township from March 2014 to June 2018, the Township Manager for  
8 Upper Makefield Township from December 2012 to February 2014, and the Assistant  
9 Township Manager for Upper Gwynedd Township from August 2008 to November 2012.

10  
11 **Q. Have you testified before the Pennsylvania Public Utility Commission (“PUC” or**  
12 **the “Commission”) before?**

13 A. No.

14  
15 **Q. On whose behalf are you testifying in this proceeding?**

16 A. My testimony is on behalf of Willistown and in support of the application of Aqua  
17 Pennsylvania Wastewater, Inc. (“Aqua”) to purchase the Township’s wastewater  
18 collection, conveyance, and treatment system (the “System”) that provides sanitary  
19 wastewater service to various customers in the Township.

20  
21 **Q. What is the purpose of your direct testimony and summarize the key points?**

22 A. The purpose of my testimony is as follows: (1) to provide a description of the System,  
23 (2) to describe the anticipated benefits of the sale of the System assets to Aqua under and

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1 in accordance with an Asset Purchase Agreement dated January 20, 2021 between the  
2 Township and Aqua (the “Proposed Transaction”), and (3) to describe how Willistown  
3 sets its annual rates.

4 In particular, I will focus on the numerous benefits of the Proposed Transaction  
5 that are most important to the Township and the customers who use the System,  
6 including:

- 7 • The Township can exit the sanitary sewer business and instead focus its resources  
8 on other core government functions while ensuring safe, reliable, and professional  
9 service at affordable rates for its residents;
- 10 • Receipt of sale proceeds will permit the Township to allocate these funds to  
11 various projects in the Township;
- 12 • Benefits from Aqua’s expertise, long-standing capital improvement programs, and  
13 its experience in improving systems throughout the Commonwealth to address  
14 capital improvements needed over time in the Township;
- 15 • Township residents will benefit from enhanced customer service and operational  
16 functions through expanded customer service hours, additional payment options  
17 (including by phone or online), access to Aqua’s Helping Hand low-income  
18 assistance program, and Aqua’s team of experienced water and wastewater  
19 professionals;
- 20 • Aqua’s capability to make long-term investments in necessary capital  
21 improvements to the wastewater system;
- 22 • Aqua’s proven record of environmental stewardship for the operation of  
23 wastewater systems;

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- Regulation of the service provided to Township’s customers will fall under PUC jurisdiction, which will ensure regulatory oversight, require approval for all rate increases, and provide significant consumer protections; and
- Enabling the Township to reallocate its administration time to focus on other key initiatives of the Township.

**Q. Are you sponsoring any Exhibits with your testimony?**

**A.** No.

**II. DESCRIPTION OF THE TOWNSHIP AND ITS WASTEWATER SYSTEM**

**Q. Please provide a general overview of the Township of Willistown.**

**A.** Willistown became a Township in 1704. The Township is located in the eastern part of Chester County, five miles east of West Chester and approximately twenty (20) miles from Philadelphia, PA. The Township is governed by a Board consisting of three members. Presently, there are approximately 11,014 residents in the Township.

**Q. Please provide a description of the Township’s wastewater system.**

**A.** The Township owns and operates the collection, conveyance, and treatment System, which consists of six (6) pump stations, two (2) booster pump stations, approximately 26 miles of gravity sewer collection mains, and approximately 14 miles of force mains. The Township also owns the Penn’s Preserve wastewater treatment plant (“Penn’s Preserve WWTP”), which treats wastewater to a small community system. The majority of

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Willistown's sewage is treated by the Valley Forge Sewerage Authority ("VSFA") at its WWTP located in Schuylkill Township, Chester County.

Willistown is responsible for the safe collection and transmission of wastewater serving 2,294 customers, as well as treatment of a portion of wastewater at the Penn's Preserve WWTP. The Township accepts flows into the System from users on the borders of Willistown, including from neighboring municipalities: Borough of Malvern, East Goshen Township, and East Whiteland Township. There are approximately 2,405 Equivalent Dwelling Units ("EDUs") connected to the System—about 2,215 EDUs are treated by VFSA and 190 EDUs are treated by the Penn's Preserve WWTP.

**Q. Please provide an overview of any compliance issues with the wastewater system experienced by the Township.**

A. There are no known compliance issues for the System or Penn's Preserve WWTP.

**III. SALE PROCESS**

**Q. Please describe the Township's decision process in concluding that a sale of the wastewater system was in the best interest of the Township.**

A. The decision to sell the System was the result of deliberate consideration by the Township, its administration and our residents. Beginning in January 2020, we undertook a thorough process, along with capable outside experts, to review the System, assess future costs of capital and revenue requirements, evaluate the ongoing time commitments of Township personnel to address System issues, and carefully consider from various stakeholder points of view the numerous qualitative and quantitative factors



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1       that weigh in favor of or against the Township keeping the System. We weighed and  
2       balanced issues at numerous public meetings and working sessions that addressed the  
3       Proposed Transaction.

4               Ultimately, the decision to sell resulted from three primary goals. First, the  
5       Township wanted to exit the business of providing sanitary sewer service and instead  
6       focus on its core governmental functions while simultaneously ensuring that our residents  
7       would have safe and reliable service at affordable rates. The System's aging  
8       infrastructure will require additional investment over time, which we project will cause  
9       increases in rates if the System remains with the Township. Second, the Township's  
10      residents and customers will benefit from the expertise and experience of a PUC  
11      regulated public utility—and more specifically, the enhanced customer service and  
12      assistance provided to customers. Lastly, the up-front proceeds from the Proposed  
13      Transaction will allow for redevelopment opportunities in Willistown that would  
14      otherwise be unattainable.

15             After the Board made the decision to sell the System based on these  
16      considerations, we issued a Request for Qualifications and a Request for Bids. Once we  
17      reviewed the responses, we determined that Aqua submitted a bid that was in the best  
18      interest of, and provided the greatest value to, Willistown and its residents, and accepted  
19      that bid.

20  
21   **Q.     Did the Township request public input on the sale?**

22   A.     Yes. The deliberative process undertaken by the Township in deciding to sell the System  
23      was public and involved multiple opportunities for public comment at Board meetings

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1 where the Township, its financial advisors, and Aqua all presented the goals and benefits  
2 of the Proposed Transaction.

3  
4 **Q. Please describe the process by which the Township solicited bids for the System.**

5 A. On May 6, 2020, the Township released its Request for Qualifications, and received the  
6 responses on May 27, 2020. The Township held various management meetings and asset  
7 tours on June 29, 2020 and June 30, 2020. The Township continued its due diligence  
8 through June 2020, and pre-qualified two (2) potential bidders based on industry  
9 established criteria for the possible execution of an agreement for the sale of the System.  
10 On September 22, 2020, the Township issued its Request for Bids, to which responses  
11 were due on October 12, 2020.

12 After receiving the bids, the Township introduced the Proposed Transaction to the  
13 Board and the public at a public meeting held on October 29, 2020. At this meeting, the  
14 Township Manager and its financial advisors presented the alternatives considered and  
15 the reasons for ultimately deciding to sell the System. The Township received several  
16 questions and comments from the public at this meeting. The Township also stated that it  
17 would discuss the specific uses of the sale proceeds at future public meetings in the  
18 coming nine (9) to twelve (12) months. To ensure the public's questions and comments  
19 were all heard and adequately addressed, the Board held another public meeting on  
20 November 9, 2020, where its financial advisors presented the benefits and goals of the  
21 Proposed Transaction again and allowed for public comment.

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1           After careful consideration of the bids and public participation, the Township  
2           decided that the sale was in the best interest of the Township, and the Board unanimously  
3           voted to accept Aqua's bid on December 14, 2020.

4  
5   **Q.    Please describe the process that the Township used to hire a Utility Valuation**  
6   **Expert for the transaction.**

7   A.    When the Board approved the sale, it also authorized me to seek proposals from and  
8           select a Utility Valuation Expert. On July 9, 2021, the Township accepted the proposal  
9           from AUS Consultants ("AUS") to perform a fair market value appraisal of the  
10          System. AUS is not affiliated with the Township.

11  
12   **IV.   BENEFITS OF THE PROPOSED TRANSACTION**

13   **Q.    Please describe the benefits of the Proposed Transaction for the Township.**

14   A.    The Township will benefit from the Proposed Transaction as it will transfer its  
15          wastewater assets to a long-standing and well-run public utility – Aqua. There are three  
16          key benefits of the Proposed Transaction to the Township and its residents. The sale will  
17          (1) permit the Township to exit the business of providing sanitary sewer service and  
18          instead focus on its core governmental functions while simultaneously ensuring that our  
19          residents would have safe and reliable service at affordable rates, (2) benefit Township  
20          residents and customers due to Aqua's expertise and experience as a PUC-regulated  
21          public utility, and (3) the sale proceeds will allow the Township to address improvements  
22          and projects throughout the Township and benefit the Township's overall financial  
23          position.

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1           First, given the time and economic impact on the Township of dealing with the  
2           System, the Proposed Transaction permits the Township to reallocate its time to focus on  
3           other key initiatives of the Township. For example, due to additional investment required  
4           for our aging System, we project that wastewater rates will increase in the coming years  
5           regardless if the Township retains ownership of the System. As such, we believe that the  
6           sale to Aqua provides the best opportunity for the Township to focus its resources on  
7           other core government function while ensuring safe, reliable, and professional service at  
8           affordable rates for its residents.

9           Additionally, Township residents will benefit from enhanced customer service  
10          and operational functions through 24/7 emergency response, additional payment options  
11          (including by phone or online), access to Aqua's Helping Hand low-income assistance  
12          program, and Aqua's team of experienced water and wastewater professionals.

13          Lastly, the Proposed Transaction will provide the Township with the ability to  
14          make improvements within the Township that would be otherwise unattainable. The  
15          Township has identified, *inter alia*, the following potential uses for the proceeds: the  
16          reduction of debt; providing general fund reserves, thus mitigating the need for potential  
17          future tax increases for Township residents; and various public works improvements,  
18          including but not limited to, bridge and roadway repairs.

19  
20   **Q.     Please describe any further benefits from the Proposed Transaction.**

21   A.     The Township will realize many additional benefits from the sale of its wastewater  
22          system to Aqua. These benefits include, but are not limited to, the following:

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- The Township will benefit from Aqua’s capital improvement programs, and its experience in improving and correcting systems with compliance issues;
- Enabling the Township to reallocate its administration time to focus on other key initiatives of the Township;
- Aqua’s capability to make long-term investments in necessary capital improvements to the aging System;
- Regulation of the service provided to Township’s customers will fall under PUC jurisdiction, which will ensure regulatory oversight, require approval for all rate increases, and provide significant consumer protections; and
- Aqua’s proven record of environmental stewardship for the operation of wastewater systems.

**Q. Do you believe that the Proposed Transaction provides affirmative public benefits and is in the public interest?**

A. Yes. For the reasons set forth above, I believe that the Proposed Transaction provides substantial affirmative public benefits and is in the public interest. I urge the Commission to promptly approve the Proposed Transaction.

**V. RATES**

**Q. How does Township set the rates it charges customers for wastewater treatment and collection?**

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1     A.     Rates are governed by the Willistown Township Code, and are set by the Township  
2           Board of Supervisors through an ordinance after consideration of the costs of providing  
3           service. Any rate increases must be approved by the Board through a resolution.

4

5     **Q.     How frequently does the Township adjust rates?**

6     A.     Prior to initiating the sale process, rates were typically increased on an annual basis.  
7           However, since the exploring the potential sale of the System, the Township has not  
8           adjusted rates.

9

10    **VI.    CONCLUSION**

11    **Q.     Does this conclude your testimony?**

12    A.     Yes, it does. However, I reserve the right to file additional testimony at a later date as  
13           may be necessary or appropriate.